

STATE SENATOR • JIM BARCIA • 31ST DISTRICT
Barcia Press Release

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**BARCIA DEMANDS ACCOUNTABILITY FROM MICHIGAN
CATASTROPHIC CLAIMS ASSOCIATION
*URGES MOVEMENT ON LEGISLATION TO PUT THE BRAKES ON STEALTH MCCA
ASSESSMENTS***

(LANSING)— State Senator Jim Barcia (D-Bay City) stood with Senate Democrats today to urge swift consideration of legislation to open up and increase public participation in the Michigan Catastrophic Claims Association (MCCA) rate determination process. On March 17 the MCCA announced an increase in the rate it assesses all Michigan vehicles for catastrophic coverage from \$100 to \$127 dollars, its highest assessment ever.

“With the cost of auto insurance skyrocketing in recent years the public should be aware of the process by which a significant portion of their total insurance bill is set,” said Barcia. “I have co-sponsored legislation to require an annual audit of the MCCA and strongly support all efforts to hold the MCCA accountable for its receipts and expenditures.”

Michigan is the only state in the nation that provides auto insurance with unlimited personal injury protection benefits. An MCCA assessment is charged to every vehicle insured in

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the state. This pool of money is then used for medical costs, with the MCCA reimbursing no-fault auto insurers for benefits that exceed \$325,000 resulting from an auto accident. However, without public oversight, there is no way to determine how and where money from the fund is spent. The assessment is set each year by 5 insurance industry representatives.

Four bills aimed at increasing public awareness and involvement in the MCCA process are awaiting action before the Committee on Banking and Financial Institutions, chaired by Senator Michael Bishop (R-Rochester). SB 209 and SB 210 would make the MCCA subject to the Freedom of Information Act (FOIA) and the Open Meetings Act. SB 622 would add a member of the general public to the MCCA and SB 353 would require the Auditor General to conduct an annual audit of MCCA operations.

“These wildly fluctuating rates are of great concern to me and my constituents,” said Barcia. “I am encouraging Senator Bishop to hold hearings on these bills as soon as possible so that we can, at the very least, shine a light on the process by which these rates are determined.”

A photo of Senator Barcia from today’s press conference can be downloaded at

<http://www.senate.mi.gov/barcia/032504.htm>

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